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ABSTRACT

Realizing the goals of higher and continuing education calls for applying consumer research to university marketing techniques. Several higher education publics have been identified, and the idea of consuming publics can be subdivided into internal and external consumers, with the student viewed as the educational product. Internal consumers include future consumers (prospective students), current consumers (enrolled students), past consumers (alumni), and dissatisfied consumers (prior students). External customers are private industry, graduate schools, government, and other nonprofit organizations. Though certain market research scholars might dismiss higher education as an area that does not lend itself to their work, several reasons can be proposed for supporting involvement in this type of research (such as testing theoretical concepts concerning various higher education publics). To be effective, consumer research in higher education must meet several prerequisites (including that it be coordinated, continuous, implemented, and evaluated). Four areas recommended for future research are: (1) the need for market segmentation research, especially concerning nontraditional consumers; (2) a more thorough analysis of the needs of alumni, faculty, and staff and "other publics" of higher education; (3) understanding the unmet needs of the students who drop or stop out; and (4) the apparent need to anticipate future demands of external consumers. Contains 31 references. (SM)

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Classifying the Consumers of Higher and Continuing Education

by

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Realizing the goals of Higher and Continuing Education demands applying consumer research to university marketing techniques.

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Kotler (1975) has identified several higher education publics; however, it seems that his idea of consuming publics could be further subdivided into "internal" and "external" consumers; this distinction would suggest an appropriate segmentation approach to the market. In this distinction, the student is viewed as the educational "product." Both Bell (1974) and Gelb (1976) have investigated this idea for colleges of business.

Certain market research scholars might dismiss higher education as an area which does not lend itself to their talents; however, several reasons can be proposed for supporting involvement in this type of research. One obvious rationale for market researchers' studying the various groups in higher education is the testing of theoretical concepts concerning these groups. Certain psychological theories such as cognitive dissonance, information processing, and perceived risk could be investigated in this context. It should be possible to determine the point at which students experience the greatest cognitive dissonance; and, once it is determined , to propose appropriate intervention or corrective dissonance reducing strategy. The study of information processing and the various stages of development, perhaps age related, could be studied to determine the optimum amount of exposure, attention, reception, and response necessary for adequate learning. Continuing on in education often requires a high level commitment on the student's part; therefore, study of the concept of perceived risk would be applicable. For the external consumers of higher education the theoretical constructs of organizational buying theories and buying tasks might be investigated in order to focus promotional material to advantage. It

seems obvious that some classification plan for higher education consumers is necessary as a control over vague, randqm research having little or no relationship to practical marketing problems.

The Internal-External Consumer Classification Plan is depicted in Figure 1 below together with the types of consumer research appropriate for each category. These types of consumer research are taken from Kotler (1975); his volume contains a thorough discussion of the relevant methodologies within each of these research types--Chapter VII.

Consumer Classification	Consumer Research
Internal Consumers	
Future Consumers (Prospective Students)	Needs--Perceptions (Image)
Current Consumers (Enrolled Students)	Needs--Preferences (Attitudes)
Past Consumers (Alumni)	Needs--Satisfaction (Fulfilled)
Dissatisfied Consumers (Prior Students)	Needs--Satisfaction (Unfulfilled)
External Consumers	
Private Industry Graduate Schools Government Other Nonprofit Organizations	Needs Perceptions (Image) Preferences (Attitudes) Satisfaction

Figure 1. Classification Plan for Higher Education Consumers

Internal Consumers

The consumer research suggested in Figure 1 is merely a starting point for marketing the programs of higher education to satisfy certain consumer needs. Within the internal consumers' classification of four major subcategories--future, current, past, and dissatisfied students--future consumers, who are the prospective students for any higher education institution, have been and will likely continue to be extensively studied. Ihlanfelds (1975) suggests that these consumers could be further subdivided into the classifications: primary, secondary, and test markets for more accurate differentiated market research. The primary market, comprised of those individuals who are likely to enroll because their market profile is similar to past enrollees, would obviously not need the same promotional presentation as the secondary market, composed of those individuals who are likely to be accepted but may not have decided on their educational future. The test market would probably be most closely identified with a target segment. They are not like prior students and include perhaps members of minority groups, National Merit Scholars, and--for many schools--adult learners. Marketing to this group involves carefully examining their needs and perceptions which serve as the basis for developing attitudes which later dictate behavior. It is this area that has stimulated an extensive amount of consumer research to date. Since these prospective students are less likely to be intimately familiar with the institution or the benefits of its program, the type of presentation that clarifies an image compatible with their needs is most likely to succeed in securing their attention.

One of the first market research efforts to investigate future college students was undertaken by Holland (1958), who investigated the relationship of academic and financial factors in college choice. He found that practical and financial factors were of substantial influence in college choice while academic factors were of moderate importance. The work of Leister and MacLachlan (1976) before that Krachenberg and Leister (1975) utilized perceptual mapping and multi-dimensional scaling to analyze the choice process of prospective students in their research. Most recently, Sternberg and Davis (1978) studied students' perceptions of Yale and its competitors using multi-dimensional scaling and cluster analyses to clarify choice processes. Vaughn (1977) investigated the components of one university's image by studying groups of prospective students. The four factors (based on a factor analysis) that most influenced university image and ultimately choice were university and business program quality, size, total university cost, and location.

The second group of internal consumers are the current consumers. By studying their needs, preferences, or reasons for enrolling it is possible to get at the attitudes that influenced their decisions. The "belief" and "affect" components of attitudes can be analyzed as a basis for forecasts, program modification, benefits assessment, etc. Data of this kind are helpful in promoting the benefits of a program, and without it the marketing planner is merely guessing.

Past consumers, the alumni, are normally consulted only in the context of fund raising. However, as a source of information based on prior behavior and experience these individuals could provide

valuable insights and indications of need satisfaction.

The final subcategory of internal consumers are those who are "dissatisfied," These are students who have dropped out or transferred. Much attention has been focused on this group in research. Since the number of potential new students is declining, colleges and universities are now making a more conscious effort to keep from losing enrolled students. The United States Department of Health, Education, and Welfare has provided longitudinal data on this problem (1977). One volume (Cope & Hannah, 1975) reported a national retention rate of only 40%. Finally, a recent publication (Noel, 1978) addressed the issue of the dissatisfied student in detail; however, Baumgart and Johnstone (1977) found that attrition in an Australian university was related to the characteristics of the students and the school itself. They propose that differing strategies be implemented to retain various student subgroups. In fact, published consumer research seems to indicate that college campuses are somewhat unique and findings cannot be generalized to other schools.

For example, some urban colleges and universities have a large resident population of students as well as commuters from the geographic area. Other urban institutions have no resident population of students and depend entirely on commuter students. Organizationally and administratively this difference is quite significant and would have to be considered in any marketing approach.

Internal consumers would also include staff, administration, and faculty of any institution of higher education. Their needs, perceptions,

and attitudes should also be a part of any consumer research activity; but, the focus of this investigation is in a different direction such as: making alternate use of faculty skills, program modification, etc.

Clearly, more study of internal consumers of higher education is indicated; marketing successfully depends on this type of research in order to promote an accurate appraisal of the institution. The benefits of its programs are the need-satisfying values which the marketing plan communicates to the target markets.

External Consumers

External consumers of higher education products fall into several groups--private industry, graduate and professional schools, government, and other nonprofit organizations. These consumers are particularly important if one accepts Gelb's idea that the products of colleges and universities are the graduates rather than the knowledge itself. Since private industry is a consumer of many graduates of higher education, research to determine needs, perceptions, preferences, and satisfaction is necessary if colleges and universities intend to satisfy these external customers. Because continued placement of its graduates is of paramount importance to all institutions, much research has been conducted within the business administration area, which supplies a large number of graduates with employment. Private industry has evaluated business programs in general (Edge & Greenwood, 1974; James & Hacker, 1974; Overman, 1974); furthermore, marketing and MBA programs in particular have been analyzed (Coyle, 1975; Lill & Mayer, 1975; Gatteridge, 1973). The

importance of this research effort more than justifies itself because it brings into the appraisal process the concerns, attitudes, and perceptions of the practitioners. The strategy makes good sense in designing optimal curriculum alternatives, but more than that it has the additional benefit of initiating dialogue between schools, faculties, staff members, practitioners, and--most important--students.

Graduate and professional schools should also be viewed as external consumers for higher education. The Educational Testing Service provides a vast amount of information to colleges and universities about the needs of these consumers, but some additional consumer research might be necessary if a school finds that its graduates are not being admitted into suitable graduate programs. Givner and Klintberg (1978) have published a report of this type regarding medical students.

Government at all levels and other nonprofit organizations (such as social agencies, arts organizations, health care institutions, etc.) represent the final categories of external consumers. While their needs may be quite specialized or unique, these entities should not be ignored. If certain schools send large numbers of their graduates into these fields, it is essential to monitor the progress of their educational products. This information would be valuable in assessing the viability of certain programs.

Several ideas emerge from this investigation of research literature. Colleges and universities always retain the right to set their curricula and requirements even though the results of consumer research do not always support an institution's programs. The goal of higher education

is to be a leader not a reactor; therefore, consumer research findings--whether internal or external--should be viewed only as one factor in guiding the institution. Second, most of the consumer research summarized in this study has not been sophisticated or systematic. Except in the area of prospective students (future consumers), the data collection and analysis procedures have been simplistic. Rather than seeing this as an indictment of the research, it is a reflection of the early stage in the development of most consumer research in higher education. It would be advantageous, however, at this time to specify necessary prerequisites and a rationale for the type of consumer research undertaken by colleges.

Prerequisites for Effective Consumer Research

To be effective consumer research in higher education must meet several prerequisites. Initially, certain research criteria should be satisfied. The research effort should be a coordinated and continuous one, and to have maximum impact, the results need to be implemented where feasible.

When Scott (1975) discussed the applicability of traditional consumer reserach to areas of social concern including universities, she suggested that this research be cross-situational, field experimental, and explanatory. Studies which meet these criteria would be hard for most schools to afford, but it is important to recognize the significance of these factors even if they cannot always be attained. Through grant funding it might be possible to investigate the specificity or generality of behavioral phenomena and theories by research designs replicated across several situations. It would be possible in this way to define situational

factors which have a demonstrable and systematic influence on behavior. Researchers at several sizes of schools from different geographic locations could analyze the consistency of factors influencing the college choice process, including such items as attention, interest and search, evaluation, decision, post-decision satisfaction. Research of this kind could determine how generalized consumer behavior is across institutions. The other research criteria identified by Scott called for field experimentation with the emphasis on explanatory variables. Field experiments would provide the needed external validation of consumer concepts and theories. Research within isntitutions of higher education would meet this criterion because the consumers are the actual users of the respective products. Finally, this is research which is focused on explaining behavior; the techniques for measuring this process could explain why past behavior does or does not determine future behavior. In the college and university context, explanatory research would delineate those customers who are school-loyal and those who would eventually represent market segments.

An obvious prerequisite for market research in higher education is that it be coordinated. Collegiate administrators and researchers often work independently and do not take advantage of one another's expertise. The admissions office may be conducting research on prospective students, but it does not consult faculty members on proper questionnaire design, sampling techniques or analytical possiblities. Consequently, the results of the admissions survey may not be valuable in setting a recruiting strategy. Another coordination problem concerns the market research

currently conducted on many college campuses. Often the alumni, academic affairs, and admissions offices do not keep one another abreast of their research efforts and results. It has been suggested that colleges and universities institute a position of vice president or director of marketing (Berry & George, 1975; Murphy & McGarrity, 1978). Kotler (1979, p. 42) provides a thorough description of such a position. One of the functions of this individaul would be to coordinate the ongoing market research efforts throughout the campus and possibly suggest new consumer studies.

The fact that the market research needs to be continuous is also obvious. Budgetary and time constraints would naturally influence the extensiveness of the research process at any particular institution. While it may seem that the research outlined here would be too costly to undertake, almost every school has extensive human resources in undergraduate and graduate students who are often searching for relevant research topics. Gathering data about external and internal consumers on a periodic basis is an objective worth pursuing. A sample of industrial firms or graduate schools might be surveyed once every five years. For internal consumers, the necessity for conducting "longitudinal" research as a student moves into, through, and out of the institution is crucial to evaluating all facets of the school. The integration between researchers and administrators would likely produce more systematic research results.

Another prerequisite of market research in higher education is that it be implemented. As in the case of any research endeavor, the

last and sometimes most difficult stage is implementation. Satisfactory marketing depends on continuing research as a basis. This is not to imply that the products of research are always practical. It may not be feasible to institute program changes, tuition reduction, or construction projects which consumers want, but the research findings will probably provide clues to developing a more attractive overall product. For example, if certain employers indicated that a school's graduates were not comfortable using the computer, a course could be developed and offered to students seeking jobs in that industry. Universities should not respond to every whim of their consumers, but certain modifications based on sound research findings seem necessary to insure long-term success.

Even at the outset of a plan, evaluation must be initiated. Decisions must be made in advance about what analytical measures will be used and who has the responsibility for conducting the evaluation. The basic concerns of evaluation are product improvement and promotion improvement . A time frame must also be established, or some signals devised that will suggest things that are not working. Since evaluation will likely lead to other modifications in strategy, it is best if a continuing mechanism to create and accommodate change be established. A yearly update of marketing activity is implied in the concept of evaluation.

If this research were undertaken, it would help to overcome the criticism of Jacoby (1978) that much of consumer research is directed toward insignificant issues. If it is implemented, market research seems

to be in a position to make a unique contribution to solving at least some of the pending problems affecting higher education. Although suggestions based on consumer behavior theories for further research in higher education have been proposed, four pragmatic--and possibly more pressing--areas appear to be of particular importance.

1. There is a need for market segmentation research especially concerning nontraditional consumers. The adult market is not a homogeneous one. Research needs to be employed to determine the most attractive segments within it. For example, what is the size of the group demanding courses for self-development as compared with that seeking career advancement?

2. A more thorough analysis of the needs of alumni, faculty, and staff, and "other publics" of higher education should be made. Alumni can be a great source of information. Faculty and staff, can provide program evaluation and review of course offerings, but their assessment of future required educational directions should also be useful for administrators.

3. Understanding the unmet needs of the student who drops or stops out is also vitally significant. These individuals may not necessarily be lost to the institution forever. Only by researching the reasons for their behavior can the institution develop mechanisms that will assist the dissatisfied student and prevent others from falling into this category.

4. Finally, there is an apparent need to anticipate future demands of external consumers. The skills demanded by industry, graduate schools, government, and other organizations are ever-changing. A closer investigation of the needs of these institutions will assist a school in developing a more attractive product.

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